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ARIZONA ATTORNEY GENERAL

July 13, 1954
Opinion No. 54-101

TO: Mr. R. S. Spoon
Registrar of Contractors
1818 West Adams
Phoenix, Arizona

RE: Regulation of Speculative Builders

QUESTION: Does our law as written cover
the speculative builder classification?

For the purpose of clarifying what is meant by speculative builder, it is our understanding that you had in mind an individual, who constructs a building or buildings on property owned by himself, for the purpose of selling such buildings after completion.

Section 67-2303, A.C.A. 1939, as amended, would cover what we have agreed upon as a speculative builder and would require such builder to be licensed.

The section provides in pertinent part as follows:

"67-2303. Exemptions.--This article shall not be construed to apply to: * * * 4. sole owners of property, building or improving structures thereon for the use and occupancy of such owners and their families and not intended for sale, or the construction, alteration, improvement or repair of personally owned property; * * *" (Emphasis supplied)

Although such speculative builder is covered in a reverse manner under the exemption section above, it is obvious that the Legislature intended that if such builder constructed for the purpose of selling, and not for his own occupancy, that he would be required to be licensed.

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A similar question was discussed in the case of MOON v. GOLDSTEIN, 1945, 69 Cal. App. 2d 800, 153 P.2d 1004, and the conclusion was reached that such speculative builders were required to be licensed under a similar provision with the California Contractors law.

It is, therefore, our conclusion that a speculative builder is regulated under Section 67-2302, A.C.A. 1939, as amended, and as such, must be licensed as a contractor to lawfully engage in such business.

ROSS F. JONES
The Attorney General

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